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KOREA AND SOVIET POLICY

Over-all Soviet Policy — The loss of North Korea and the defeat of the North Korean Communist regime are not likely to produce any immediate or drastic Soviet reaction. The Kremlin will probably view the Korean failure as a temporary setback to its long-range expansionist plans, but not one so damaging to the over-all Soviet position at home or abroad as to require an immediate change in the tactics it has been pursuing since the end of World War II. In the immediate post-Korea period, the Kremlin will be most concerned with the effect the Korean invasion has had in: (1) uniting the non-Communist world against Communist aggression and stimulating Western rearmament; (2) revealing to the Satellites and Communist Parties Soviet fallibility and failure to rescue one of its Satellites; (3) weakening Communist promises of early success for Communist-led colonial liberation movements; and (4) demonstrating that Soviet power and influence in Asia will not go unchallenged by the West. The USSR will probably be reluctant to attempt another Korean-type venture in the near future, fearing either failure and thus even greater disadvantages than grew out of the Korean invasion, or the necessity to use Soviet troops to achieve success, thus increasing the risk of general war. The USSR will therefore attempt to minimize the UN victory while continuing and intensifying its support for subversive and guerrilla operations by local Communists, especially in Indochina, and the current "peace" propaganda campaign will be pressed with renewed vigor.

Korean Settlement — Meanwhile, in Korea itself, the possibility continues to diminish that the USSR or the Chinese Communists will intervene militarily to prevent the UN occupation of North Korea. Soviet propaganda and diplomatic

activity of recent weeks suggest that the USSR has, temporarily at least, written off Korea. Continued Chinese Communist threats (made through the Indian Ambassador at Peiping) to intervene if US troops cross the 38th Parallel are believed to be primarily a last-ditch attempt to intimidate the US from taking such a step. In the interim, the USSR will use its rapidly diminishing opportunities for obstructing UN action in Korea, but probably will make no serious effort to reach agreement with the Western Powers. Realizing that military developments have destroyed any favorable bargaining position which either the USSR or North Korea once possessed, the Kremlin will probably not countenance a North Korean peace bid and instead will attempt to make the UN victory as costly as possible.

Military Tactics — The general propaganda line and the military tactics currently being employed by the North Korean regime indicate that the North Koreans are placing little faith in the possibility of a UN agreement satisfactory to them. The deliberate slaughter of South Korean civilian prisoners by retreating Communist forces, continued exhortations for a supreme effort to expel foreign troops, and evidence of plans for prolonged resistance all point to the improbability of an early surrender. Thus, barring the unlikely intervention of foreign troops, the North Korean regime will probably prolong the struggle to the bitter end, inflict the maximum damage on the country in order to confront a UN-sponsored government with staggering reconstruction problems, and then retire to a safe haven in Manchuria to direct continued guerrilla and subversive activity against the new regime.

Military Capabilities — Lack of trained manpower, a major contributor to the North Korean defeat in the south, will probably prove equally disastrous north of the 38th Parallel and is a weakness that could only be cured by time.

CHINESE COMMUNIST PROBLEMS

Foreign Policy — Foreign Minister Chou En-lai's recent lengthy review of Communist China's foreign policy contains no new assertions or accusations and none of the guarded threats is sufficiently strong to indicate any major change in Peiping's foreign policy. The statement that US "intervention" in China will be repelled is an idle one, as the promise to liberate Taiwan specified no time limit; and the intention to liberate Tibet, preferably through negotiation, but if necessary by force of arms, has been expressed before. The Foreign Minister's remarks regarding diplomatic relations with Western countries, relations with the USSR, and the hostile attitude of the US have been uttered many times in the past. Those parts of Chou's speech which have been interpreted as indicating a Chinese Communist intent to occupy North Korea or invade Indochina are in fact estimated to indicate less drastic actions. The statement that the Korean Communists can "obtain final victory" through "persistent, long-term resistance" probably implies extensive Chinese support of North Korean guerrillas and sanctuary for North Korean leaders. However, the intimation that Communist China is now prepared to rush to its neighbor's assistance was probably an attempt to bluff the UN into not crossing the 38th Parallel, rather than a forewarning of Chinese intervention. Finally, Chou's remarks on the UN suggested Peiping's interest in participating in any UN settlement of the Korean question.